



STATE OF DELAWARE
STATE BOARD OF PENSION TRUSTEES
AND
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BOARD OF PENSION TRUSTEES
MEETING MINUTES OF SEPTEMBER 24, 2021

The meeting of the Board of Pension Trustees was called to order by Suzanne Grant, Chair, at 8:30 a.m. via-video and tele-conferencing.

Trustees Present

Suzanne Grant
Art Agra
Harold Stafford
Nancy Shevock
Rick Geisenberger
Cerron Cade
Tom Shaw

Trustees Absent

Others Present

Joanna Adams, Pension Administrator
Jodie Wedel, Deputy Pension Administrator
Ann Marie Johnson, Deputy Attorney General
Ryan Connell, Deputy Attorney General
Jamie Mayan, Pension Office
Josh Hitchens, Pension Office
Khairat Makanjuola, Pension Office
Stephenie Tatman, Pension Office
Cindy Starr, Pension Office
Kristal Diaz, Pension Office
Mary Wood, Pension Office
Rob Gooderham, Windmark
Garry Musto, Windmark
Joseph Malloy, Pension Advisory Council

Fiona Liston, Cheiron
Elizabeth Wiley, Cheiron
Kylie Taylor, OMB
Carla Cassell-Carter, OMB
Jeanette Hammon, OMB
Courtney Stewart, OMB

OPENING COMMENTS

S. Grant welcomed everyone to the meeting and congratulated Joanna on her daughter's upcoming wedding. S. Grant also shared the passing of Phil Reese's wife. Mr. Reese was the former chair of the Board of Pension Trustees. The Board wants Mr. Reese to know they are thinking of him.

2. APPROVAL OF THE MINUTES

The Trustees reviewed the Public Minutes of the June 25, 2021 and July 30, 2021 meeting.

MOTION made by H. Stafford and seconded by A. Agra to approve the Public Minutes of the June 25, 2021 and July 30, 2021 Board of Pension Trustees' meeting with changes as noted.

MOTION ADOPTED UNANIMOUSLY

The Trustees reviewed the Executive Minutes of the June 25, 2021 and July 30, 2021 meeting.

MOTION made by T. Shaw and seconded by A. Agra to approve the Executive Minutes of the June 25, 2021 and July 30, 2021 Board of Pension Trustees' meeting.

MOTION ADOPTED UNANIMOUSLY

3. AUDIT COMMITTEE UPDATE

Next meeting November 5th.

4. GOVERNANCE COMMITTEE UPDATE

Ms. Adams reported at the last Governance meeting held on August 18th. During this meeting, recent legislation was reviewed with the committee. Ms. Johnson provided an update on Rules and Regulations. Next meeting is scheduled for November 3rd.

5. PENSION ADVISORY COUNCIL UPDATE

J. Malloy reported the Pension Advisory Council is pleased with legislation. He also added on October 23rd will be the Wilmington Fire Company's 100th Anniversary parade at the Wilmington Riverfront.

MOTION made by N. Shevock and seconded by A. Agra to enter into Executive Session to consider pension personnel matters, confidential medical records, legal matters, sensitive commercial trade secrets and confidential financial information.

MOTION ADOPTED UNANIMOUSLY

MOTION made by A. Agra and seconded by T. Shaw to exit Executive Session.

MOTION ADOPTED UNANIMOUSLY

6. PENSION ADMINISTRATOR UPDATE

Employee Recognition

Ms. Adams reported the summer months at the Pension Office is a busy time. Ms. Adams wanted to recognize the Pension Administration section. They forfeited vacations and successfully managed a large workload to handle August payroll. Moral has also improved in this section. Ms. Adams recognized the Payroll section for successfully processing the first Post Retirement Increase in several years. She also recognized the Benefits section for their work during open enrollment. This year, the State contracted with a new pharmacy manager, which generated a lot of phone calls and additional work.

Positions

Ms. Adams reported five positions have been filled. Two Human Resources Specialist I, one Human Resources Specialist I Limited Term, one Human Resources Specialist III and one Human Resource Information System Specialist III. Five positions have been posted. One State Accountant, One Executive Assistant to the Pension Administrator, One Human Resources Specialist V Limited Term, and two Human Resources Specialist I.

Office Activities

Ms. Adams stated we have standard trainings.

Reporting Schedule

Ms. Adams stated that nothing has changed, but the meeting dates have been updated.

MOTION made by A. Agra and seconded by T. Shaw to approve the Experience Study as presented by Cheiron to adopt the experience results and recommended changes.

MOTION ADOPTED UNANIMOUSLY

7. DEPUTY ATTORNEY GENERAL UPDATE

Nothing to report

8. INVESTMENT COMMITTEE UPDATE

Mr. Gooderham reported that global equity markets continued to move higher in July and August as strong corporate earnings results overshadowed concerns over the spread of the COVID-19 delta variant and inflationary pressures. Economic reports continued to indicate robust growth, though also suggesting the pace of growth may be decelerating. The broad US equity market, as measured by the Russell 3000 index, gained 4.6%. Within US equities, growth outperformed value as markets favored stocks less affected by COVID disruptions. International equities lagged US equities as the MSCI EAFE index advanced 2.5% and the MSCI Emerging Markets index was down 4.3%. In fixed income markets, yields moved slightly lower (prices higher) and credit spreads were stable, resulting in a 0.9% gain for the Bloomberg Universal bond index, while the more credit-sensitive Bloomberg High Yield index was also up 0.9%.

Mr. Gooderham reported that DPERS Fund assets at Northern Trust are estimated to be \$15,336.2 million at August 31, 2021, representing a net increase of \$687.4 million since June 30th. Estimated returns for July, August and for periods ended August 31, 2021 are as follows:

	Month Ended 07-31-21	Month Ended 08-31-21	Fiscal YTD 08-31-2021	Calendar YTD 08-31-21	1 Year Ended 08-31-21
Total Fund	2.2	2.7	4.9	21.1	31.7
DPERS Policy Benchmark**	0.7	1.8	2.5	11.3	20.3
S&P 500 Index	2.4	3.0	5.5	21.6	31.2

** Benchmark mix: 46% Russell 3000 Index, 24% MSCI ACWI ex US IMI (Net), 27.0% BB Universal Bond Index, 3% T-bills
 12/01/20 – 02/28/21: 43% Russell 3000 Index, 23% MSCI ACWI ex US IMI (Net), 31.0% BB Universal Bond Index, 3% T-bills
 09/01/20 - 11/30/20: 40% Russell 3000 Index, 22% MSCI ACWI ex US IMI (Net), 35.0% BB Universal Bond Index, 3% T-Bills

Mr. Gooderham reported that the Committee had met twice since the Board’s July meeting, on August 17th and September 14th.

At the August 17th meeting, in addition to the approved items below, the Committee reviewed and discussed:

- An update on Lightstone Ventures & ATV
- An update on Drive Capital Terms
- Windmark's What We Believe – Mid-Year update
- The Second Quarter 2021 Investment Review

Also at the August meeting, the Committee approved under its authority, a commitment of up to \$40 million to Summit Growth Equity XI, subject to satisfactory legal review of the documents.

At the September 14th meeting, in addition to the approved items below, the Committee reviewed and discussed:

- A term extension for Advanced Technology Ventures VIII, L.P.
- IDG-Accel China Growth Secondary Opportunities
- Manager DE&I Follow-Up
- Fee Update from Highclere International
- Private Investments Allocation Strategy presentation
- Asset Allocation Recommendation
- Investment Policy Statement Update
- Annual Commission & Proxy Voting Reports
- Proposed 2022 Meeting Dates

In addition, at the September 14th meeting, the Committee approved the orderly liquidation of the T. Rowe Price High Yield account with proceeds to be allocated as follows:

- 70% of the proceeds (approximately \$87.0 million) to be invested in BlackRock TIPS Index Non-Lending Fund
- 30% of the proceeds (approximately \$37.1 million) to be invested in BlackRock S&P 600 Index Fund

The Committee also voted to recommend that the Board adopt amendments to the Statement of Investment Policies and Objectives.

The next meeting of the Committee is scheduled for Tuesday, October 26th, 2021.

MOTION made by T. Shaw and seconded by H. Stafford to enter into Executive Session to consider pension personnel matters, confidential medical records, legal matters, sensitive commercial trade secrets and confidential financial information.

MOTION ADOPTED UNANIMOUSLY

The Board then moved into Executive Session to discuss pending personnel matters, confidential medical records, legal matters, sensitive commercial information, proprietary business information, trade secrets and confidential financial information.

MOTION made by A. Agra and seconded by T. Shaw to exit Executive Session.

MOTION ADOPTED UNANIMOUSLY

MOTION made by T. Shaw and seconded by A. Agra to approve the Camden-Wyoming Fire Company joining the County & Municipal Police/Firefighters Pension plan.

MOTION ADOPTED UNANIMOUSLY

MOTION made by A. Agra and seconded by T. Shaw to approve the recommendations and updates to the Investment Policy.

MOTION ADOPTED UNANIMOUSLY

9. **NEW BUSINESS**

There was no new business.

10. **ADJOURNMENT**

At 10:49 a.m., there being no further business, **MOTION** was made by T Shaw and seconded by A. Agra to adjourn the meeting.

MOTION ADOPTED UNANIMOUSLY

Respectfully submitted,


Joanna M. Adams (Nov 2, 2021 08:27 EDT)

Joanna M. Adams
Pension Administrator

Suzanne B. Grant
[Suzanne B. Grant \(Nov 3, 2021 20:32 EDT\)](#)

Suzanne B. Grant, Chair
Board of Pension Trustees